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**ADMITTED IN PENNSYLVANIA ONLY

March 16, 1993

Re: FCC Cable Survey Rate Data
Ex Parte Comments on Behalf of Austin, Texas;
Dayton, Ohio; Dubuque, Iowa; Gillette, Wyoming;
Montgomery County, Maryland; St. Louis,
Missouri; and Wadsworth, Ohio, Docket MM 92-266

Pursuant to 47 C.F.R. § 1.1206, two copies of this document are being filed on the above date with the Commission's Secretary for inclusion in the public record.

On February 24, 1993 the Federal Communications Commission ("Commission") released a database compiled from the Cable TV System Operators Rate Structure Questionnaire ("Survey") mailed to cable system operators in late December, 1992. The Commission plans to consider these data in constructing rate regulations for cable services, pursuant to its Notice of Proposed Rulemaking in MM Docket 92-266, In the Matter of Implementation of Sections of the Cable Television Consumer Protection and Competition Act of 1992 (Dec. 24, 1992), implementing Sections 623, 612, and 622(c) of the Communications Act of 1934, as amended.¹

The Commission classified certain survey responses as indicating actual competition.² Several responses indicated per-channel rates higher than would be expected in a competitive

¹ Cable Television Consumer Protection and Competition Act of 1992, §§ 3, 9, 14. See Release of Data from Cable TV System Operators Rate Structure Questionnaire, Federal Communications Commission Public Notice 31934 (Feb. 24, 1993), with accompanying documentation: FCC Cable TV Rate Survey Database: Structure of Database and Explanatory Notes (Feb. 24, 1993) ("Survey Structure").

² A value of B or C in the field S5_SC4C0 indicates competition under subsections 623(1)(1)(B) and (C) of the Cable Act respectively. See Survey Structure at 2.

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environment. Accordingly, the coalition spot-checked those responses by reviewing the information supplied in the database, then contacting the franchising authorities and inquiring as to cable service competition. The anomalies and apparent errors in the database revealed by this verification are described below.

Certain general problems with the database are suggested by this review. In particular, for at least three of the responses checked, local authorities state that there is no competition, despite the database coding. In addition, a number

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2. Delmar, MD: Storer Communications of Delmarva
(494 subscribers, competition code B)
Per channel: basic \$1.41, 2d tier \$0.36, all tiers \$0.73

According to the Town Manager, there is no competition. The nearest alternative cable provider is twelve miles away and does not serve Delmar.

3. Washington County, PA: Raystay Co.
(293 subscribers, competition code B)
Per channel: basic \$1.12, all tiers \$0.61

The office of the Borough Manager states that there is no competition: there is no other cable company competing with Raystay. In fact, according to the data entered for Schedule 4 of the survey form, the operator did not say there was competition; yet the Commission has coded this record type B.

4. NJ BRC (Hillsdale): Cablevision of New Jersey, Inc. (1)
(2,762 subscribers, competition code B)
Per channel: basic \$0.77, all tiers \$0.77
5. NJ BRC (Hillsdale): TCI (d/b/a "Micro-Cable")
(1,283 subscribers, competition code B)
Per channel: basic \$0.83, 2d tier \$0.34, all tiers \$0.62
6. NJ BRC (Paramus): Cablevision of New Jersey, Inc. (2)
(1,227 subscribers, competition code B)
Per channel: basic \$0.77, all tiers \$0.77

Both the Cablevision and the TCI franchises are part of much larger local systems (76,618 for Cablevision, 322,639 for TCI, according to the survey data). There appears to be little direct competition either in Hillsdale (reported as 3300 or 3585 households) or in Paramus (reported as 7832). In addition, Cablevision's information for Paramus does not show any response on Schedule 4, but the Commission has coded that franchise for competition type B.

7. City of Waldport, OR: TCI Cablevision of Oregon
(109 subscribers, competition code B)
Per channel: basic \$0.62, 2d tier \$0.32, all tiers \$0.56

The competitor, Alsea River Cable (also in the database), charges only \$0.43 per channel and has six times as many subscribers as TCI. According to the City, TCI charges less

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inside the City than it does outside the City, where there is no competition. TCI's survey form may be reporting the higher monopoly price (as in Kenton/Boone) and not the lower competitive price.

8. Town of West Bend, WI Star Cablevision Group
(669 subscribers, competition code B)
Per channel: basic \$0.68, all tiers \$0.68
-

It is unclear how much overlap in service area there is between Star and competitor Crown Cable, or whether the prices in the competitive areas differ from those elsewhere. The area of competition is small compared to the entire system (16,988 households), which is ten times the size of the competitive franchise area (1690). Moreover, the database contains no answers to the questions on Schedule 4.

9. Sumter County, GA Rigel CSSF Joint Venture
(141 subscribers, competition code B)
Per channel: basic \$0.84, all tiers \$0.84
-

The franchise area is the town of Cobb only (500 households); the sample is very small.

10. City of Negaunee, MI Bresnan Communications Co.
(374 subscribers, competition code C)
Per channel: basic \$0.61, 2d \$0.57, 3d \$0.81, all \$0.68
-

It is unclear whether Bresnan serves a surrounding area larger than the small competitive region. The City's municipal system serves only within the City limits. The City appears to have about 1440 subscribers, over three and one-half times Bresnan's subscribership.

11. City of Westbrook, MN Mark Twain Cablevision
(40 subscribers, competition code C)
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